

unbundled network elements will prove as difficult with SWBT in Oklahoma as it has elsewhere and will result in: (1) an agreement that falls short of providing the capabilities necessary to purchase UNE combinations without severe end-user impacts and dissatisfaction, and (2) a delay in the development and deployment of facilities-based entry plans.

23. In my opinion, SWBT's strategy appears to be focused on making AT&T's UNE entry as late and ineffective as possible. Once SWBT obtains authority to provide interLATA service in Oklahoma, it can be expected to show even less than the minimal interest to date in concluding interconnection agreements that provide effective access to unbundled network elements. SWBT should not be allowed to enter into the interLATA market before it has completed an interconnection agreement with AT&T that the Commission approves, and before new entrants actually have the capabilities on a commercially operational bases to provide local service on a broad basis with a large volume of transactions.

IV. PROVISION OF OPERATION SUPPORT SYSTEMS IS NOT COMPLETE.

A. Full, Efficient, and Effective Operational Support System Interfaces Are Needed by All CLECs for Resale and Unbundled Network Elements and Bold Incentives Must be Provided To Ensure that Electronic Interfaces Are Fully Operational.

1. OSS overview/background

24. Operation support systems (OSSs) are the computer-based systems and databases that telecommunications carriers use for a number of vital customer-oriented and business support functions. These systems support a variety of carrier interactions with customers, including those related to: *pre-ordering* activities, such as determining the customer's existing service, verifying

the customer service address, determining services and features available to the customer at the service address, assigning telephone numbers, establishing a due date for service installation, scheduling a dispatch when necessary, and determining the long distance carrier choices available for the customer's address; *ordering* services, such as the determination of services and features a customer wants, understanding the way a customer wants his or her directory listing to appear in the directory assistance bureaus and white pages, subscribing the customer to an IXC, defining customer blocking requirements, *e.g.*, 900, collect; *provisioning* of service, the actual installation of new service or change of competitive local exchange carriers; *repair and maintenance*, and *billing* for service. These systems also provide the information and data used by a carrier's representatives. The availability, accuracy, timeliness, and completeness of information used and maintained by OSSs are critical to a carrier's efforts to satisfy its customers.

25. AT&T, like all CLECs, requires the ability for its OSSs to communicate with the incumbent LEC's OSSs, whether AT&T is reselling the incumbent LEC's services or using unbundled network elements. AT&T will communicate with the systems of the incumbent LEC through electronic "interfaces" and "gateways."

26. An "interface" is a pathway that enables access to information and functionalities that is maintained in a system or database. An interface can also be a pathway that is used to deliver information from a system or database to another system or to a system user. These interfaces will provide AT&T access to SWBT's data sources which will enable it to conduct pre-ordering discussions with its customers and to order, provision, repair, maintain, and bill

customers for local services.³ In the area of billing, operational interfaces must include local account maintenance, transfer of usage data needed for end user and other contract billing purposes, by SWBT for resold services and unbundled network elements.

27. Interfaces to operational support systems must be electronic. Electronic interfaces are those that rely on computer and telecommunications technology to provide information. Electronic interfaces create the opportunity to have computer systems interact with each other, without the need for human involvement. For new entrants to be competitive with SWBT, they must have nondiscriminatory access to SWBT's OSSs, which require the ability to communicate electronically on a "real time" basis directly with SWBT. For AT&T to provide service that is, at a minimum, equivalent to what SWBT provides to its customers, the interfaces must be electronic and the service intervals for items such as installation, repair and maintenance must be, at a minimum, the same to allow service to appear seamless to the end user. The FCC recognized the need for electronic interfaces in its First Report and Order.³

28. A "gateway" is a programmed system that interprets the content of an electronic message and directs the message to a particular database or processing location, depending on the message content. The gateway then serves as the ongoing electronic interface between the systems and the databases that contain the stored information. In this way, the gateway performs the functions of formatting, translating, validating, and routing information between the CLEC's and the incumbent LEC's systems and databases.

³ *In the Matter of Implementation of the Local Competition Provision of the Telecommunications Act of 1996*, CC Docket No. 96-98 (rel. August 8, 1996) (First Report and Order), ¶ 525.

2. Full, efficient, and complete OSSs are essential.

29. Because the reliability of support systems is essential to providing and maintaining service to end-users, the design characteristics for these systems are extremely important to AT&T. Support systems that fail to support users create customer dissatisfaction, and systems that are unreliable in terms of responsiveness or accuracy undermine AT&T's best efforts to ensure customers get the services they request when they request them. Quite simply, no carrier competing with meaningful volumes, including AT&T, can conduct its business effectively or efficiently without error-free, and well-designed, electronic interfaces. Customers will be directly interfacing with AT&T for services and will be receiving an AT&T bill for service, and accordingly, AT&T must provide assured and consistent service quality at least equal to the quality they experience with their current SWBT local service. In short, as a new competitor in the local exchange market, AT&T must provide customers with a positive experience.

30. Indeed, for this reason, AT&T has focused much of its efforts on ensuring that access to operations support systems, and operations support system interfaces are capable of handling large volumes of transactions on a real-time basis. Accordingly, all systems and procedures must be operational with the tested ability to handle significant volumes, and with response times that are at least comparable to what the incumbent LEC provides its customers, before AT&T can begin to offer its services generally in the marketplace. AT&T has continuously provided SWBT with its OSS requirements to ensure quality is at least comparable to what SWBT provides its customers since March 26, 1996, in varying levels of detail. Yet,

even today, SWBT and AT&T have significant disputes regarding the current status of SWBT's implementation of OSS capabilities and interfaces that will facilitate competitive market entry.

31. It is critically important that the interfaces provide nondiscriminatory access to SWBT's OSSs for the short and long term, rather than requiring CLECs to rely on incumbent LEC proprietary operation support systems which were not designed for use by a carrier other than SWBT and as a result do not provide access that is nondiscriminatory. It is disadvantageous for a new carrier to rely exclusively on an incumbent LEC's proprietary OSSs for electronic interfaces. As I will explain in more detail in Paragraphs 85 through 92, reliance on incumbent LEC proprietary systems will not support UNE and in a Resale environment will cause limitations in service offerings, use of numerous systems, manual processing, redundancy of work steps, and a higher risk of errors. In addition, reliance on such systems places new carriers, such as AT&T, in a position of complete dependency on SWBT's OSS capabilities. For example, the new entrant will find itself at the mercy of the incumbent LEC's hours of operation (unlike SWBT, AT&T intends to operate on a 7 day per week, 24 hour per day basis to service the needs of its customers), maintenance schedules, outage problems, and control. Because so much of the information required by competitors resides exclusively in SWBT's OSS, SWBT is in an advantageous position to control the ability of its competitors to enter the local service market and become an effective competitor.

32. AT&T's need for nondiscriminatory access to SWBT's OSS is both more imperative and more complex than the needs of small start-up CLECs entering the market on a

more limited or narrowly-focused basis. A small CLEC has none or few existing customers, and thus typically enters a local market without having had to develop an advanced electronic interface that provides nondiscriminatory access to the underlying SWBT operations support systems. Lacking both a pre-existing customer base and a reputation for meeting the demands of large numbers of customers with high levels of service quality, a small CLEC has the option to enter the market without the availability of electronic interfaces to OSSs.

33. In contrast, a large CLEC like AT&T has a large pre-existing customer base that is already being served through use of advanced OSSs. In order to maintain its reputation in the market for providing quality service to its customers, AT&T must be prepared from the outset to serve large numbers of customers and to process orders of all levels of complexity. Because meaningful competition with SWBT can only come, at least in the next few years, from large potential competitors, any failure by SWBT to make its OSSs readily accessible in a manner that is nondiscriminatory to large potential competitors like AT&T will delay the creation of a competitive local market. In all events, Congress has required SWBT and other incumbent LECs to provide nondiscriminatory access to all OSSs and the FCC has found that it is "absolutely necessary" for competitive carriers to have access to these systems. FCC Order, ¶ 521.

B. Complete, Full, and Effective Implementation of Operations Support Systems Does Not Occur Overnight. Particularly with SWBT.

34. As I will discuss generally here, and in more detail in Paragraphs 41 through 52, SWBT cannot claim that it is commercially provisioning OSSs when it has not even reached the state of operational readiness.

35. Operational readiness is the end state of a systems *development* effort. It is achieved when the systems are providing useful, reliable results, in accordance with their proposed function and design. Leading up to operational readiness are seven stages -- detailed interface negotiations, systems impact, systems requirements definition and specification development, systems development, system testing, inter-system testing and operational readiness testing. *Currently, the availability of SWBT's electronic interfaces are in the detailed interface negotiations stage for UNE and the systems impact and systems requirements definition and specification development stages for Resale.*

36. An interface between two systems is operationally ready when the two systems are working *together* satisfactorily to deliver the capabilities for which they are designed. Operational readiness cannot simply be unilaterally declared by SWBT (or for that matter, AT&T) because each firm is only one end of the interface. Both ends must work together to establish that the interfaces are operationally ready. While SWBT may boast about its early developmental work for electronic interfaces that it began in the third and fourth quarters of 1995, the boast is misplaced. In fact, AT&T does not believe that SWBT solicited input from any large CLEC requiring electronic interfaces to support large volumes of transactions during the early developmental stages of its OSS design.

37. Indeed, SWBT's unilateral approach to the development of electronic interfaces underscores the need for input. SWBT's approach resulted in the presentation of a competitively and statutorily insufficient manual process (not electronic) on or about April 1, 1996. After the

presentation was made, AT&T advised SWBT that as a result of its experiences with manual interfaces through its Rochester trial, which clearly demonstrated that nondiscriminatory access to OSSs cannot be achieved using manual interfaces, AT&T would not consider manual interfaces with SWBT. SWBT then shared its plans with AT&T that it had scheduled modifications to its own proprietary, ordering/provisioning and repair/maintenance systems for use by CLECs, as opposed to designing and implementing interfaces to its internal systems/processes that would provide nondiscriminatory access to its OSSs. During this time frame, AT&T articulated its requirements for electronic interfaces to SWBT's OSSs, as opposed to manual interfaces or its use of SWBT's proprietary systems. Further, AT&T emphasized the fact that service parity must not be assessed from the perspective of how SWBT treats all CLECs, but must be assessed by comparing how SWBT is able to serve its customers versus how CLECs are able to service their customers.

38. In the SWBT territory, however, there is only one supplier of the information needed to provide local telephone service to customers -- SWBT. As I will show below, SWBT has not provided the level of cooperation that would be typical of a relationship where each party has an incentive to work together, and the assistance it has provided has not been sufficient to permit AT&T, or any other CLEC, to gain access to SWBT's OSSs at parity to what SWBT now enjoys for the support of its own retail customers.

39. If SWBT does not implement electronic interfaces, SWBT's monopoly control over the OSSs that perform the essential ordering, provisioning, repair, maintenance, and billing for

its services will be as formidable an obstacle to entry as its control over the local networks themselves. Indeed, as I described earlier, SWBT, through its negotiation posture has significantly affected AT&T's entry into the market. If SWBT is allowed to make it harder for customers to order and to receive service from CLECs than from SWBT, CLECs cannot be viable competitors in the local exchange market.

40. With this Overview of the complex nature of OSS, electronic interfaces, and gateways, I will now discuss the OSS implementation stages and where SWBT is within those stages for UNE and Resale.

1. **The development of OSS interfaces and gateways takes time and requires mutual effort to complete the 7 basic stages. AT&T and SWBT are still in the early phases of development.**

41. The development of operationally ready electronic interfaces between two operations support systems is an extremely complex and difficult undertaking, which requires not only a considerable period of time, but also the completion of deployment and testing to ensure accurate, reliable, and timely communications between the two entities. A systems development effort of the magnitude required to support the OSS functions of pre-ordering, ordering, provisioning, repair, maintenance, and billing requires seven stages. If any of these steps is skipped or abbreviated, serious problems between the entities are likely to arise, such as orders being rejected as has in fact occurred repeatedly in AT&T's efforts to enable its OSSs to interface with other incumbent LECs. The following is a description of each of the seven stages and identification of each stage that SWBT and AT&T are at with respect to OSSs.

42. *Interface Negotiations Stage 1* -- In the interface negotiations stage, the goals necessary for implementation are analyzed and negotiated in a level of detail to define specific processing needs at the transactional level. Determination of the business functions that the interfaces and underlying systems must address are made as well as preliminary decisions as to which are to be computerized and which require manual processes or support. The business needs drive the interface and overall systems analysis which inevitably require resolution of questions concerning what business rules apply, what data definitions apply, definitions of the conditions under which information is required or optional, and whether information must be obtained from databases, supplied by customers, validated, or accepted as is. Hundreds of questions regarding the definitions and the ways data are used in the systems are the norm, not the exception. These questions are ordinarily reviewed with the suppliers of the input and output transactions. As of this date, AT&T is currently in this stage of the process for UNEs with the SWBT five-state OSS interfaces.

43. *Systems Impact Stage 2* -- During the systems impact stage, the interface negotiations agreements are assessed to determine what and how existing systems, architectural designs and interfaces will be impacted and how long it will take for coding and development to be completed. This stage determines what systems and interfaces require development to implement the negotiated agreements. As a result of recent closure on critical negotiations issues, some aspects of Resale remain in this stage, with development timelines not yet fully defined to

understand system and interface availability dates. Some of the critical issues that were recently closed for systems impact analysis are described in Paragraph 61.

44. Within this stage, the overall result is a comprehensive system and interface design that takes into consideration the technical environment for the systems, the specific regional or local exceptions, the daily/weekly/monthly processing issues to be addressed, and more. The system will be broken down into modules that are logical components for computer processing or manual methods and procedures development.

45. Systems design is particularly complicated. Knowledge of the technical specifications of the interface is not enough for effective communications and interactions between systems. A knowledge of the "business rules" or business practices and procedures programmed into the pre-existing systems is also required. For example, it is necessary that AT&T understand SWBT's existing service order format and the numerous edits it will perform on an order it receives from AT&T. In order to design its systems to communicate with SWBT in a manner whereby orders will not be rejected because fields are not populated in accordance with SWBT's edits, it is not enough to know that a 4-digit field has been provided for the primary interexchange carrier or "PIC" code; a list of the valid PIC codes assigned and used in the incumbent LEC's systems must also be provided. The majority of the systems/interface work required for Resale is in this stage of the process for the AT&T and SWBT five-state OSS interfaces.

46. *Systems Requirements Definition and Specification Development Stage 3* -- In this stage, the details and definitions defined through the interface negotiations are documented

through a series of system and interface requirements and specifications are developed for each of the systems and interfaces impacted. These requirements and specifications will be used by the programmers to actually write and execute code to make modifications to existing systems, architectural designs and to develop new systems and interfaces as deemed necessary through the systems impact phase. The need for modification to or development of new requirements and specifications may arise at any stage of the process. For example, for the Electronic Data Interface (EDI) to be developed in support of ordering and provisioning, it has taken several months to complete the interface negotiations surrounding the field-to-field mapping necessary to support the transmittal of simple residential single-line orders for new customers with all components, e.g., services and features, directory listing information, etc. The process of requirements definition and specification development can take several iterations before the parties find that all questions are resolved and no further definition of the requirements or specification are required. Specifications are only considered final when systems can be built to those specifications to provide useful, reliable results in accordance with their function and design.

47. *System Development Stage 4* -- Once the interface is designed, the systems requirements are defined, and specifications developed, the actual systems development (programming) can begin. Systems development is where programmers and data base developers code the systems and database modifications. This stage also includes the manual activities required to develop methods and procedures and training. Analysts work with job or task designers to place the manual activities into logical sequences. These efforts result in the design

of forms, screen, and reports. The merging of computerized modules and manual procedures are then followed by testing that is best accomplished through a structured and disciplined controlled environment. As previously mentioned, as of this date, AT&T and SWBT are currently in the interface negotiations stage for UNE and the system impact/specification development stage for the ordering/provisioning interface for Resale and have not begun systems development work necessary to address the critical issues that have very recently been resolved. Although all of the OSSs and interfaces are important, the ordering/provisioning interface is the most critical interface required to provide local service to customers since even the smallest of errors could cause the order to reject or the service to be provisioned incorrectly. Both of these outcomes will cause rework and customer dissatisfaction.

48. *System Testing Phases 5,6 and 7* -- System testing is actually performed in three stages. The first is the internal company system testing. In this stage, the purpose of testing is to confirm that the design and programming that has been completed is correct. It is important to validate the construction and development of the individual modules, the programs which comprise many modules, the systems that comprise many programs. This stage of testing serves to demonstrate that the system components perform in accordance to the system design, requirements and specifications, on an individual basis.

49. The next stage of testing is the inter-system testing which is necessary to assure that both ends of the interfaces can effectively communicate and facilitate the interaction of the OSSs

of both entities in accordance with the design, requirements, and specifications on an integrated basis.

50. The last stage of testing is the operational readiness testing (ORT) stage which is performed prior to implementation. During the ORT stage, a production environment is simulated to test the entire spectrum of systems interactions without adversely affecting actual customers in the marketplace. Operational readiness testing enables the parties to identify problems or inadequacies in the systems or interface design or interface specifications on an end-to-end integrated basis. During this stage, early warning signs can be identified with respect to potential capacity or volume constraint issues that may be experienced after implementation. The ORT also includes the testing of methods and procedures materials and the training of personnel to be certain that the personnel of each entity can operate the systems and/or interfaces, fully understand and interact with the information presented on a screen, address exception processes, and be able to garner other critical information to make the interfaces viable.

51. Only after all of these steps have been completed, and final system modifications are made and tested to address inadequacies identified through the three testing stages, can the systems and interfaces be implemented. *Only* when implementation has been successfully completed, can it properly be said that the systems are operationally ready.

52. The importance of understanding each development stage necessary for operational readiness is to provide the Commission with a big picture of the complexity of the task and where AT&T and SWBT are currently in the process, *i.e.*, stage 1 of 7 for UNE and stages 2 and 3 of

7 for Resale. It should become clear from the discussion above, that operational readiness can only be achieved after both AT&T and SWBT have worked jointly in each stage. Based on AT&T's experience to date, this process can easily take six months or more following the definition of stable requirements and development of systems/interface specifications. It is only after the final steps have been taken will SWBT have operationally ready OSS interfaces. And it is only then that the Commission should even begin to consider whether SWBT has complied with the requirements under Section 271.

2. AT&T and SWBT have reached a conceptual agreement as to the types of interfaces to be developed, but there are severe deficiencies in SWBT's provision of nondiscriminatory access to its OSSs.

53. AT&T pursued the issue of access to OSSs, interfaces and gateways aggressively, seeking SWBT's agreement that it would work with AT&T to implement electronic interfaces necessary to provide nondiscriminatory access to SWBT's OSSs. AT&T and SWBT agreed to pursue these interfaces in May 1996, and recognized that manual interfaces and/or the use of SWBT proprietary systems would not be appropriate.

54. From the time that AT&T and SWBT engaged in negotiations, the parties agreed to conduct the OSS interface negotiations on a SWBT five-state basis as opposed to a state-by-state basis. Although there may be intricacies or differences in some of the products and services that can be ordered state-to-state, the OSSs and interfaces SWBT would develop and implement with AT&T would be a common set of OSSs and interfaces for its five-state geography. Given the Overview of the complexity of the OSS interfaces and the interplay amongst them, the following

table indicates the types of interfaces agreed to between AT&T and SWBT at the conceptual level to serve Consumer Plain Old Telephone Service (POTS), Business POTS, and Complex Business Customer needs. To be considered operationally ready it is necessary that all seven stages outlined in Paragraphs 42 through 50 be completed prior to implementation.

Function	Resale	UNE
Pre-Ordering (No industry standards exist)	-AT&T has agreed to accept SWBT's existing DataGate for POTS service -SWBT requires a manual interface for complex business services	-AT&T has agreed to accept SWBT's existing DataGate ⁴ -SWBT requires a manual interface for complex business services
Ordering & Provisioning	EDI v6.0	-Customer specific elements via industry standard LSR using EDI v6.0
Maintenance	EBI	EBI ⁵
Usage Data	EMR	EMR
Local Account Maintenance	CARE Record	CARE Record
Wholesale Bill	-AT&T has agreed to accept an EDI CRIS bill	CABS

55. Even though the discussion below will identify specific problems in the development and use of various electronic interfaces, the Commission should not view them in a vacuum. Indeed, in a real business sense, all of the interfaces must interact together in a manner to assist the customer to receive and the CLEC to provide service. A graphic illustration of the

⁴ SWBT's internal UNE process will result in degradation of pre-ordering functionality in comparison to Resale (i.e., no electronic capability to obtain due date and dispatch).

⁵ SWBT's internal process will degrade functionality (loss of Mechanical Loop Testing capabilities).

integrated manner in which these interfaces must work together can be seen in Exhibit ND-2. SWBT will likely boast about the individual attributes of some of its internal proprietary systems. As discussed in Paragraph 77 and can be seen in Exhibit ND-6, the ordering and provisioning interface is currently in jeopardy as depicted in red on Exhibit ND-2. Failure of this interface will cause failure in providing quality service to AT&T's customers.

C. SWBT's Provisioning of OSS Has Not Come Easy, If At All -- An Overview of AT&T's and SWBT's Negotiations for OSS.

56. On March 14, 1996, AT&T requested that SWBT commence negotiations for an interconnection agreement under Section 252 of the Federal Act for the states of Texas, Missouri and Oklahoma and on June 11, 1996 for the states of Kansas and Arkansas in the SWBT region.

57. Due to the critical importance of the access to SWBT's OSSs, electronic interfaces and gateways, AT&T shared its objectives for electronic operational interfaces based on industry standards beginning on March 26, 1996.

58. Detailed interface negotiations for Total Service Resale began on April 1, 1996, regarding access to SWBT's OSS through interfaces and gateways. AT&T has been engaged since that time in earnest to complete and to finalize requirements to develop and implement the Total Services Resale (TSR) OSS interfaces. In response to AT&T's request for access to SWBT's OSSs via electronic interfaces, SWBT instead proposed manual interfaces and suggested that AT&T use SWBT's proprietary support system (Easy Access Sales Environment or EASE) interfaces for pre-ordering and ordering/provisioning on April 1, 1996. AT&T recognized from the outset that the use of manual interfaces or EASE was inadequate in providing

nondiscriminatory access to the information needed by AT&T to service local customers and communicated its decision not to use EASE to SWBT on May 9, 1996. The significant deficiencies of SWBT's EASE system to provide CLECs parity access to SWBT's OSSs are described later in this Statement. See ¶¶ 85 - 92, *infra*.

59. At the time that AT&T filed for arbitration with SWBT in Texas, Oklahoma, and Missouri (July 29, 1996), SWBT had not agreed to a date upon which it would make the electronic interfaces to its OSSs or the functionality of required its OSSs available for Resale. Additionally, dates for completion of UNE OSS interface negotiations and requirements definition were not and still have not been agreed to. As a result of the Texas arbitration, the Texas Commission ordered that the electronic operational interfaces required for Resale and UNE be implemented not later than June 1, 1997.

60. As of today, even after ten months of negotiations, progress has been slow, and systems impact and requirements definition remain in progress for Resale and UNE interface negotiations and are in the early stages. As can be seen from a review of the pre-ordering, ordering, and provisioning OSS status reports filed with the Texas Public Utility Commission⁶, there are significant differences between the interface availability status reported by SWBT and that reported by AT&T. Compare Exhibits ND-3 with ND-4 and ND-5. The status reports

⁶ As a result of the arbitration proceeding between AT&T and SWBT, the Texas Public Utility Commission ordered SWBT to file status reports regarding the implementation of OSS consistent with its Arbitration Award. Texas Arbitration Award at ¶ 62, and p. 46. SWBT filed its first OSS status report on January 15, 1997 (Ex. ND-3). AT&T found several inaccuracies and filed a response status report on February 12, 1997 (Ex. ND-4). The Commission then ordered the parties to file a joint status report, which was filed on February 28, 1997 (Ex. ND-5). These status reports show the status of each interface for Resale and UNE.

clearly demonstrate that there is little to report with respect to the status of these interfaces for UNE. In fact, the joint AT&T, SWBT, and MCI status report filed with the Texas Commission on February 28, 1997, highlights that SWBT continued to dispute the clear mandate of the Arbitration Award with respect to UNE interfaces. *See* Exhibit ND-5. On March 5, 1997, the Texas Commission once again stated its intent to require comparable interface functionality for UNE as compared to Resale. The status reported by AT&T provides sufficient detail to demonstrate that there are interface negotiations still required to resolve critical development issues that either remain unresolved today or have been resolved only within the last two to three weeks for Resale.

61. The critical issues that were recently resolved (February 14-20) prevented AT&T from moving forward with the systems impact and requirements definition/specifications development stage of the seven-stage development process. After months of negotiations, it took the involvement and escalation to senior management and numerous concessions to resolve these issues. For example, on February 10, 1997, AT&T agreed to use SWBT's USOC/FIDs as opposed to waiting for the industry standard feature codes pending finalization by the Ordering and Billing Forum (OBF) of all feature codes. The OBF is an industry body comprised of membership from all of the BOCs and IXC's that determines the standards necessary to communication between entities. Further, it was not until February 9, 1997 that SWBT agreed to accept a single order with multiple lines per the OBF guidelines, and on February 20, 1997, SWBT agreed to provide a single Firm Order Confirmation (FOC) and completion per order. On

February 14, 1997, AT&T agreed to accept a manual interface for jeopardy notifications. Without resolution of these issues, the parties were not in a position: (1) to understand what and how their respective internal systems would be impacted; (2) to begin to design their systems and interfaces; and (3) to determine how long systems development will take.

62. Realizing that in addition to resolving the development issues such as those mentioned in the status reports referenced above, the interfaces must be designed appropriately to handle competitive volumes, AT&T provided its forecasts to SWBT for ordering and provisioning on April 23, 1996, and refined the forecasts on June 11, 1996, for the states under negotiations as of those dates (*i.e.*, Texas, Missouri, and Oklahoma). From a Resale repair and maintenance perspective, SWBT and AT&T agreed that a 3 percent calculation of embedded customer lines would provide the appropriate repair and maintenance forecast projection. With the uncertainties surrounding the availability of UNE combinations, UNE processing and OSS interfaces to support UNE, AT&T has not developed a UNE forecast because without these critical elements it would be sheer speculation to do so. Once it is clear what the decisions are regarding the UNE policy issues, AT&T will be in a better position to prepare its UNE business cases and forecasts. At such time, AT&T will be more than willing to share such information with SWBT.

63. The issue of SWBT's OSS capacity does give AT&T concern. It is not clear from anything that SWBT has ever provided during negotiations or in the SGAT filing that it has the capability to meet the anticipated volume of AT&T, much less other CLECs, both large and

small. In addition, as reflected in the Texas February 28, 1997, joint status report, Exhibit ND-5, AT&T and SWBT have not resolved a supplier billing issue having to do with billing account numbers (BAN). SWBT has a restriction of \$10M, 5,000 residential and 10,000 business lines per BAN that it will render to AT&T as SWBT's wholesale customer. It is not clear as to whether or not SWBT's wholesale billing limitations will impact end-user customer orders and installations should these thresholds be reached. Without the resolution of issues such as the BAN issue and without actual and reliable proof of capacity capabilities, the Commission should remain concerned about SWBT's ability to limit competition by contending it does not have sufficient capacity.

64. With the current status of the OSS interfaces required to support Resale and UNE and capacity capabilities unknown, I would *not* agree that SWBT has met the requirements of Section 271 of the FTA. Based on AT&T's recent work on the progress reports filed with the Texas Public Utility Commission, I would state that there is a significant amount of work to be completed in order to support statements that nondiscriminatory access to SWBT's OSS is operationally ready and commercially available.⁷ As discussed in the Statement of Edwin Rutan, SWBT must demonstrate that it actually is providing nondiscriminatory access to OSSs in order

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It is likely that SWBT will assert that its operation support systems are either operationally ready or close to operational readiness, as it did in its status reports to the Texas Public Utility Commission. It is also likely that SWBT will pledge to complete all operational support systems as soon as it can. But SWBT would be misleading this Commission if it made such assertions. For example, there are numerous discrepancies in the January 15, 1997 SWBT status report that AT&T noted in its response.

to satisfy the competitive checklist -- that is, the OSSs must be commercially operational. Such is simply not the case with OSSs.

D. Operational Electronic Interfaces for Unbundled Network Elements are Virtually Non-Existent, and, Therefore, Cannot be Considered Fully Operational or Commercially Provisioned.

65. SWBT's negotiations and implementation approach regarding access to unbundled network elements and unrestricted combinations of UNE and UNE OSSs can best be described as a flagrant disregard of the law, particularly the FCC's implementing regulations. SWBT's approach has been and continues to be to refuse to provide UNE combinations including the platform and to offer UNEs in a way that is prohibitively priced and fraught with customer dissatisfaction.

66. With respect to UNE OSSs, industry standards have been defined on a very limited basis and this has limited AT&T's progress with SWBT. AT&T and SWBT are only in the early stages of negotiations for electronic interfaces. It is inconceivable that anyone from either side can assert that the implementation of OSS for UNE is "well on its way."

67. Prior to the issuance of the FCC Order, AT&T and SWBT had reached a deadlock with respect to UNE regulations. SWBT limited its offer to five elements. AT&T was not only advocating that it was technically feasible for SWBT to unbundle its network beyond these five elements (Letter dated June 5, 1996 from Nancy Dalton to Gary Juhl), but that the OSSs and interfaces between AT&T and SWBT should be established in a manner that would facilitate the ordering of UNEs in combinations. (Letter dated June 5, 1996 from Surendra Saboo to Gary Juhl).

During a leadership team meeting between AT&T and SWBT on September 3, 1996, SWBT agreed to offer the FCC-ordered UNEs, but did not agree that the FCC Order, which states that UNEs must be available in combination without restriction, included the UNE platform (the combination of all network elements required to provide local service to customers). During the weeks immediately following this September 3 decision, the focus of AT&T and SWBT negotiations was limited to the definition of the unbundled network elements. For the UNE pre-ordering, ordering, provisioning and supplier billing interfaces, AT&T provided detailed requirements to SWBT for UNE interfaces on October 2, 1996, and it was not until October 16, 1996 that AT&T and SWBT began detailed negotiations regarding these UNE OSS interfaces. AT&T and SWBT had reached agreement during the initial phases of negotiations that the EBI interface developed for Resale would be the same for UNE and that the end-user usage data transfer and local account maintenance interfaces would also be the same.

68. SWBT's operations support system interfaces to support UNE are not presently in a state of operational readiness for a number of reasons.

69. *First*, and foremost, AT&T and SWBT have not concluded and are still in the early stages of UNE OSS interface negotiations. As noted above, AT&T requested that SWBT provide the capabilities to order UNEs individually and in combination, including the UNE platform in June 1996. At that time SWBT refused and continues to refuse to provide the UNE platform on the grounds that it is not obligated to do so under the FTA. As such, it is not practical to believe that the OSSs are available for AT&T to provide telephone exchange service to its customers

through the combination of UNEs and the UNE platform. This is due principally to the late start of these negotiations and the fundamental disagreement about the combination of UNEs and the UNE platform.

70. *Second*, as noted in the February 28, 1997 status report filed with the Texas PUC (see Exhibit ND-5), AT&T and SWBT have significant disagreement over the ordering functionality required for UNE and the time frames for development. In addition, unlike its position for Resale, SWBT is waiting for clear definitions from the OBF to define and design the processes for UNE ordering/provisioning as opposed to working with AT&T to implement an agreement between the companies pending the availability of OBF standards. As recognized by the Texas PUC, SWBT's rationale is disingenuous given its agreement to work without such standards for Resale.

71. *Third*, the details necessary to complete the systems impact analysis and develop requirements and specifications to support the ordering and provisioning transactions for Resale have only recently been resolved for the majority of the critical issues, and several critical issues remain unresolved. For example the issues associated with processing orders with multiple lines were not fully resolved until February 20, 1997; issues associated with directory listings for even the simplest of orders (*e.g.*, new single line) were also not resolved until February 20, 1997. These same issues must also be resolved to support the UNE ordering and provisioning interface transactions in order to complete the systems impact analysis, define system/interface requirements, and develop the system/interface specifications.

72. *Fourth*, although AT&T and SWBT have reached agreement that the same pre-ordering DataGate interfaces under development for Resale will also be used for UNE, SWBT is not intending to provide AT&T with the same level of functionality for UNE pre-ordering as it is planning to provide for Resale. More specifically, as defined in the Joint Statement of Robert Falcone and Steven Turner, SWBT has made an internal policy decision to treat UNEs as "design circuits." As a result, AT&T will not have electronic access to assignment of earliest available due dates or schedule a dispatch (when required) for its customers and must quote standard intervals provided by SWBT or call SWBT to provide the necessary information. This will even be the case in situations where customers have existing AT&T Resold or SWBT service and do not want any changes to their service -- the only difference being AT&T's choice to serve its customers via UNEs.

73. *Fifth*, as is the case with pre-ordering, SWBT's internal decision to treat UNEs as "design circuits" will also degrade the provisioning, and maintenance functionality. During the provisioning of customers on an AT&T requested platform of UNEs, SWBT will disconnect the customer's service for an undefined period of time to install special circuit test points. In addition to this interruption of customer service, for repair and maintenance AT&T will not have the trouble isolation capabilities such as MLT that was available to it in the Resale environment and will be dependent on SWBT for loop testing and trouble isolation. As is the case with installation, repair and maintenance intervals will also be elongated.